

**COMMONWEALTH OF KENTUCKY
DEPARTMENT OF INSURANCE**

AGENT LICENSING DIVISION

Treva W. Donnell, Director

**AGENT
INDIVIDUAL RESIDENT**

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This document is for general information purposes only. It does not amend or precede provisions of the Kentucky Revised Statutes or Administrative Regulations. For more complete information, refer to the Kentucky Insurance Code.

The Kentucky Department of Insurance (DOI) issues one license with several “lines of authority” to the agent. This one agent license lists all of the kinds of insurance that the agent is qualified to sell in Kentucky, which means the agent license may list any one or more lines of authority from either or both of the following lists:

- Casualty
- Health
- Life
- Personal Lines
- Property
- Variable Life and Variable Annuity

Or limited lines of authority:

- Credit only
- Crop
- Surety
- Travel

Further, this one agent license is the basis for appointments with all kinds of insurers that are approved to sell one or more of the lines of authority listed on the agent’s license.

Changes to the law in 2002 separated the agent license from the appointments. This means the **agent may hold a license without an appointment** as long as the agent fulfills any financial responsibility and continuing education requirements, confirms certain information at the time of license renewal, and pays the applicable license renewal fees. However, the **agent cannot exercise the license, by selling, soliciting, or negotiating insurance, without an appointment with the insurer(s) for whom he or she intends to transact business.**

Exceptions to Agent License – Briefly, the requirement to be licensed as an agent does not apply to:

- Employee of an insurer or an insurance producer under specific circumstances if the employee does not receive any commission;
- Individual who furnishes information to or helps enroll persons in group plans and does not receive any commission;
- Representative of an employer, association, or trust who is administering an insured benefit program for employees or members and who does not receive any commission, directly or indirectly;
- Employee of an insurer who classifies risks or supervises insurance producers and is not selling, soliciting, or negotiating insurance;
- Person whose multi-state, mass media advertisement is inadvertently distributed in Kentucky;
- Person whose activities involve a policy sold in another state if the policy just happens to cover risks in Kentucky; and
- Salaried full-time employee who advises the employer relative to the insurance and does not receive any commission.

Specific details of these limited exceptions are found in KRS 304.9-090.

Note: A business entity must have an agent license in order to receive commission either directly or indirectly.

WARNINGS

Notice of Action Against License – Every licensee must notify the Department of Insurance in writing within 30 days of initiation of:

- **Disciplinary action** taken by any jurisdiction against the license or any other professional license; or
- **Criminal action** taken by any jurisdiction against the licensee.

Address Change or Name Change – Every licensee must notify the Department, in writing, of any change in residence address, business address, or legal name within 30 days of the change. Agents (individual or business entity), surplus lines brokers, rental vehicle agents and managing employees, specialty credit producers and managing employees, reinsurance intermediary brokers, and reinsurance intermediary managers are subject to a penalty up to \$1,000 for failure to do so. Adjusters, administrators, life settlement brokers, life settlement providers, and consultants are subject to a penalty up to \$2,000.

Address changes should be submitted on Record Correction **Form 8303** either electronically through eServices (<http://insurance.ky.gov>) or by mailing the **Form 8303** to the DOI. (Moving from Kentucky to another state may require surrendering the resident license and applying for nonresident license. Also moving to Kentucky from another state may require surrendering the nonresident license and applying for a resident license.)

- **Name changes** should be submitted on Record Correction **Form 8303** either electronically through eServices (<http://insurance.ky.gov>) or by mailing in the **Form 8303** with pertinent legal documentation approving the name change, including any amendments filed with the Kentucky Secretary of State.
- **Mailing address for the DOI:**

Department of Insurance
Agent Licensing Division
Post Office Box 517
Frankfort, KY 40602-0517

MISCELLANEOUS INFORMATION

Notice of Executive Director's Order – Every licensee is deemed to have received any notice or order of the Executive Director mailed to the licensee's address on file with the Department of Insurance.

Licensee's Office Open to Public – If Kentucky is the Home State, the licensee is required to have and maintain an office in Kentucky that is accessible to the public, and that is the place where the licensee principally conducts transactions under the license. This requirement does not prohibit the licensee from maintaining this office in the office of an insurer, in the office of the employer, or in the home of the licensee. (Kentucky is the Home State if the licensee has a Kentucky resident license or has a Kentucky principal place of business and does not hold a resident license in another state.)

Display of License and Retention of Records –The license of all licensees must be conspicuously displayed in each Kentucky place of business in a part customarily open to the public. In addition, complete records of transactions under the license must be kept at the place of business for at least five years after completion of the purpose for which it was created. [KRS 304.9-390 and 806 KAR 2:070]

Service of Process – All nonresident licensees are deemed to have irrevocably appointed the Kentucky Secretary of State to receive service of process in any court action against the licensee arising out of transactions under the Kentucky license.

Designations – A licensed business entity can only exercise its license through a designated licensed and appointed individual. Each designated individual has to hold the same kind of license as the business entity and, if the business entity license has lines of authority, have at least one of the same lines of authority. Further, the designated individual may only exercise the business entity license for the lines of authority held in common by both the business entity and the individual.

(For example, a business entity agent is like a building: it cannot operate unless there is an individual to sell the policies and an insurance company to issue the policies. So, **the business entity agent must designate individual licensed agents and have appointments with insurers**. Likewise, **the individual agent must have at least one appointment** of his or her own with an insurer.)

Each licensed business entity must file with the Department

- **Form 8305 – Notice of the designation** of an individual within 30 days of the designation or termination of the designation; and
- **Biennial report** by January 31, each odd year, of all designated individuals whose designations are not terminated prior to January 1. (The Department will provide the format to be used for this report.)

Certification / Clearance Letter from Kentucky Department of Insurance – If an applicant for a license in another state holds or has held a Kentucky resident license, the other state may require a letter from the Kentucky Department of Insurance. A Certification Letter states that the license is active and in good standing in Kentucky (needed to license a Kentucky resident licensee as a nonresident licensee in another state). A Clearance Letter states that the former licensee was in good standing at the time the Kentucky license terminated (needed to license a former Kentucky resident licensee as a resident licensee in another state). Kentucky has combined these two letters:

- If the license is active, the letter will serve as a certification letter for the current license activity; and
- If the license is no longer active, the letter will indicate the last date of license and the date it became inactive, thus serving as a clearance letter.

Each letter must be requested online at <http://insurance.ky.gov>; click eServices, set up a password-protected account, and complete the Certification/Clearance Letter Request Form. Complete the licensee's full name, identification number (the licensee's Social Security number, Federal Employer Identification Number, or Department of Insurance identification number), and type of letter needed. Also, the licensee must indicate where the processed paperwork should be mailed by providing the correct address on the request. Fees may be paid by credit or

debit card online, or make check payable to the “Kentucky State Treasurer” in an amount of \$5 for each letter requested. The fee must be included with the request.

Certification / Clearance Letters to Kentucky Department of Insurance – Kentucky no longer requires a letter (only verification through the National Association of Insurance Commissioners (NAIC) Producer Database) from the other state if the applicant for a Kentucky license holds or has held a resident license in the other state.

Request for Kentucky Nonresident License:

- Kentucky will verify electronically through NAIC Producer Database, that the nonresident applicant is licensed and in good standing in the resident state.
- A nonresident individual or business entity, which has a Kentucky nonresident license and changes its home state, must file Record Correction **Form 8303**.

Request for Kentucky Resident License:

- Kentucky will verify electronically through NAIC Producer Database, that the nonresident applicant is no longer licensed in the other state.

Purchase of Kentucky Insurance Code – Because there is so much involved in the licensing and the legal requirements imposed on a licensee, the Department suggests that every licensee get a copy of the current edition of the *Kentucky Insurance Laws and Regulations*. This Kentucky insurance code can be purchased through the Department of Insurance. It will provide a better understanding of Kentucky insurance laws and procedures. In the alternative, the licensee may access Kentucky’s insurance laws and administrative regulations through the Legislative Research Commission Web site at www.lrc.state.ky.us under “Legislative Resources.”

Forms and Additional Information – Kentucky-specific applications and most other forms for all licensees are available through the Department’s Web site at <http://insurance.ky.gov/kentucky> under the “Agent Licensing” section of the menu titled “Licensee Procedures, Forms and Information.” Also visit this Web site for additional information on all types of licenses, as well as verification of license status, continuing education credit, appointment, designations with business entities, etc. The Licensing Division is also available to provide information and answer questions through its e-mail address at DOI.AgentLicensingMail@ky.gov or by telephone at 502-564-6004.

INDIVIDUAL RESIDENT AGENT

QUALIFICATIONS – Before approving the application, the law requires the Commissioner to find that the applicant:

- Is at least 18 years of age;
- Is qualified to designate Kentucky as the home state by:
 - Maintaining his or her principal place of residence in Kentucky, or
 - Having his or her principal place of business in Kentucky;
- Is trustworthy, reliable, and of good reputation;
- Is competent to exercise the license;
- Has completed the required 20-hour prelicensing classroom or self-study courses for each line(s) of authority for which the individual is applying (this requirement does not apply to applicants for Variable Life and Variable Annuity or for the limited lines of Credit, Crop, Surety, and Travel);
- Has successfully passed examinations required for the lines of authority for which the individual has applied (this requirement does not apply to applicants for Variable Life and Variable Annuity or for Limited Line Credit);
- Is financially responsible to exercise the license and has proven this by filing
 - Errors and Omissions policy,
 - Letter of credit,
 - Surety bond, or
 - Insurer's assumption of legal liability agreement; and
- Has paid all applicable nonrefundable fees.

APPLICATION for NEW Kentucky Resident Agent – Individuals applying for an agent license must make application to the Department and declare under penalty of refusal, suspension, or revocation of the license that the statements made in the application are true, correct, and complete to the best of the individual's knowledge and belief. Further, the applicant is required to certify, under penalty of perjury, that the application for the license is true. Further, the Department of Insurance must receive the following to process the individual's application:

Individual License Application – **Form 8301** or NAIC Uniform Individual Application (completed in its entirety and attaching the appropriate information) or electronically submit the application at www.nipr.com.

Criminal background report from Administrative Office of the Courts (obtain the report by filing **Form 8301-BGC** with the AOC; submit a copy of the report received with the application)

Proof of financial responsibility must be filed directly with the Department, by the insurer or financial institution authorized to write such coverage, on any one of the prescribed forms:

- Errors and Omissions policy – **Form 99-1**,
- Letter of credit – **Form 99-2**,
- Surety bond – **Form 99-3**,
- Insurer's assumption of legal liability - **Form 99-4** or **Form 99-6**.
 - Accepted as proof of financial responsibility for issuing the license only if appointment **Form 8302-AP** and appointment fee are filed by the insurer in conjunction with the license application

If using assumed name, copies of Certificate of Assumed Name filed with application for license and with each Kentucky County Clerk where the applicant intends to transact business

All non-refundable fees for license, each line of authority, and examination (if applicable) Documentation of compliance with the specified additional requirements for the following lines of authority

- If applying for **Casualty, Health, Life, Personal Lines**, or **Property** lines of authority
 - Certificate of Prelicensing Course completion **Form CPL-01** (completed by provider at end of course) [[List of Providers](#)]
 - Successful completion of appropriate examination [See Examination Study Outlines under the Pre-Licensing and Examination Information Table on the [Agent Licensing documents page](#)]
- If applying for **Variable Life and Variable Annuity** line of authority
 - National Association of Securities Dealers (NASD) Individual Central Registration Depository Number as proof of successful completion of SEC requirements
 - Identification number for Kentucky agent license with a Life line of authority
- If applying for **Crop, Surety**, or **Travel**
 - Successful completion of appropriate examination [See Examination Study Outlines under the Pre-Licensing and Examination Information Table on the [Agent Licensing documents page](#)]
- If applying for **Limited Line Credit**
 - No additional documentation or examination needed

APPLICATION for Kentucky Resident Agent Adding Lines of Authority to existing Agent license – The agent may add other lines of authority by submitting a new application with all of the required attachments and qualifying for the new lines of authority as set out above for applicants not currently Kentucky Resident Agents. (New line of authority fee and examination

fee, if applicable)

FEES – License fee for the resident individual applicant is \$40 for the agent license **plus** an additional \$40 for each line of authority.

Examination fee is \$50 for each required exam. (Property and casualty is considered one examination when both are applied for taken at the same time.)

CRIMINAL BACKGROUND CHECK – Statutory changes require the Department to assume responsibility for investigating whether the individual applying for an agent license is trustworthy, reliable, and of good reputation before issuing the license. As part of that investigation, the individual must submit a current (within 60 days) criminal background report with his or her completed license application. Each individual applicant must obtain the criminal background report from the Administrative Office of the Courts (AOC) by mailing the request **Form 8301-BGC**, as instructed on the form, with a \$10 check or money order made payable to the Kentucky State Treasurer to:

Administrative Office of the Courts
Pretrial Services, Records Division
100 Millcreek Park
Frankfort, KY 40601

If Form 8301-BGC is not submitted as indicated on the form, paperwork will not be processed. The license application **Form 8301** should be submitted to the Department only after the applicant has received the AOC report since a copy of the report must be included with the application for license. Note that the background report from AOC is valid for 60 days. At the end of 60 days from the report issue date, a new report will be required if the license has not been issued. If you apply for a new license or new line of authority, a new background check report is required.

PRELICENSING TRAINING – Resident individuals applying for an agent license must complete a 20-hour prelicensing classroom or self-study course for their requested lines of authority **EXCEPT** for surety, travel, credit, and crop as identified in KRS 304.9-230(1) and for variable life and variable annuity. The prelicensing course provider must complete the Certificate of Prelicensing Course Completion, **Form CPL-01**. Form CPL-01 is valid for one year from the course completion date. The certification of completion should accompany the license application **Form 8301**. (Both the prelicensing course and instructor must be prior approved by the Kentucky Department of Insurance.)

EXAMINATION – The resident individual applying for an agent license must successfully pass an examination for any line of authority requested **except** for limited line credit and variable life and variable annuity.

After the Department has determined that the application and all necessary attachments are in order, the applicant will receive a notice to report for any required exams. The notice to report will be sent to his or her home or designated mailing address. At that time, the individual must schedule an appointment for the examination(s) online after setting up a password protected account, by clicking on eServices at <http://insurance.ky.gov>, or by calling the Agent Licensing Division at 502-564-6004.

ALL APPLICANTS MUST HAVE RECEIVED A NOTICE TO REPORT OR VERIFY “PENDING EXAMINATION” STATUS ONLINE IN ORDER TO SCHEDULE AN EXAM. ALSO, ALL APPLICANTS MUST PROVIDE PHOTO IDENTIFICATION PRIOR TO BEING ADMITTED FOR ANY EXAMINATION.

The applicant has 120 days from the date of the license application to pass the exam. The applicant may not take the exam more than three times during this 120-day period. If the applicant takes an exam and does not pass it, the applicant must submit another \$50 for the new exam along with the Department's Retake **Form 8304** and make another appointment. Or, the applicant may schedule the retake and pay the fee online at <http://insurance.ky.gov>, under **eServices**. The expiration date of the application appears on the initial exam notice. The application will be denied if the applicant fails to pass the exam prior to the expiration date. **You may not apply for a retake of an exam after your expiration date.**

Please be advised that if an applicant schedules an appointment for an exam and fails to appear for the scheduled appointment, the applicant will be required to pay an additional retake fee and submit a new retake Form 8304 prior to scheduling a new appointment.

All passing exam scores are good for one year. After this one-year period, the applicant must submit all forms and fees, just like a first-time applicant, and take any required prelicensing training and examinations.

EXEMPTIONS from Prelicensing Training

An applicant **does not have to satisfy the prelicensing training requirement** if the individual holds one or more of the following designations in insurance:

- Chartered Life Underwriter (CLU) - (Life);
- Certified Employee Benefit Specialist (CEBS) - (Life);
- Chartered Financial Consultant (ChFC) - (Life);
- Certified Financial Planner (CFP) - (Life);
- Fellow of the Life Management Institute (FLMI) - (Life);
- Certified Insurance Counselor (CIC) - (Life, Health, Property, Personal Lines, and Casualty);
- Registered Health Underwriter (RHU) - (Health);
- Certified Employee Benefit Specialist (CEBS) - (Health);
- Registered Employee Benefit Consultant (REBC) - (Health);
- Health Insurance Associate (HIA) - (Health);
- Accredited Advisor in Insurance (AAI) - (Property, Personal Lines, and Casualty);
- Associate in Risk Management (ARM) - (Property, Personal Lines, and Casualty);
- Chartered Property and Casualty Underwriter - (Property, Casualty, and Personal Lines);
- Persons holding an insurance degree from an accredited college or university for all lines of authority.
- Held a similar license in Kentucky, other than a temporary license, within the past 12 months, unless the previous license was revoked for reasons other than failure to maintain financial responsibility or meet continuing education requirements;
- Held the same lines of authority in another state within the past 90 days and was in good standing in that state at the time of termination;
- Held the same lines of authority in another state within the past 12 months and applied for a Kentucky resident license within 90 days of establishing legal residence in Kentucky;
- Held a consultant license for the same lines of authority within the past 12 months, unless the previous license was revoked for reasons other than failure to maintain financial

responsibility or meet continuing education requirements.

FINANCIAL RESPONSIBILITY – In order for an individual to be licensed as a resident agent, the applicant will be required to have on file with the Department, and maintain while the license is in effect, proof of financial responsibility in one of the following forms:

- **Errors and Omissions policy** issued by an authorized insurer in the amount of at least \$20,000 per occurrence/\$100,000 in the aggregate, **Form 99-1**, or
- **Letter of credit** for at least \$20,000 from a bank or other qualified financial institution, **Form 99-2**, or
- **Surety bond** issued by an authorized insurer in the amount of \$20,000, **Form 99-3**, or
- **Assumption of legal liability agreement** filed by an appointing insurer, which assumes legal liability for \$20,000 per occurrence/\$100,000 in the aggregate, **Form 99-4** or **Form 99-6**. (These are accepted as proof of financial responsibility for issuing the license, **only if Appointment Form 8302-AP and appointment fee** are filed by the insurer with the license application.)

Although proof of financial responsibility does not have to be submitted in order to take the exam, it is to the applicant's benefit that the proof is submitted with the application or prior to the exam so that the individual may be licensed when he or she has passed the exam and all other qualifications are fulfilled.

Loss of Financial Responsibility – If at any time the proof of financial responsibility lapses and is not replaced by the deadline, the license will terminate by act of law. Details regarding the timely replacement of financial responsibility are set out in 806 KAR 9:210.

APPOINTMENT – In order to exercise the license, the agent, individual or business entity must obtain at least one appointment with an admitted insurer for that line of authority in order to transact business in that particular line of authority. Prior to appointment, the insurer must confirm through investigation that the named applicant has not been convicted of any felony offense involving dishonesty or a breach of trust and has not been convicted of a fraudulent insurance act, unless the applicant has received written consent from the Executive Director. The agent may get appointments with additional insurers at any time the insurer files with the Department of Insurance

- Appointment – **Form 8302-AP**; and
- Applicable nonrefundable fees, if any.

No agent shall claim to be an agent or representative of, or imply a contractual relationship with, a particular insurer, or place applications for insurance with an insurer unless the agent becomes an appointed agent of the insurer and the agent's appointment has been approved. An agent may become licensed but may not exercise the license by selling, soliciting, or negotiating insurance until he or she have been appointed.

Appointment fees for each foreign or alien insurer as well as each health maintenance organization, limited health service organization, fraternal benefit society, or KRS Chapter 304 Subtitle 32 Corporation represented, are

- Property, Personal Lines, and Casualty lines of authority of agent, \$40;
- Life, Health, and Variable Life and Variable Annuity lines of authority of agent, \$40; and
- All other lines of authority of agent, \$40 each.

(The fee for a bundle of lines of authority is \$40 only if the lines of authority are applied for at

the same time on the same appointment form.)

APPOINTMENT RENEWAL – Appointments are renewed biennially by March 31 through appointing insurers. Each insurer receives a list from the Department, in a format prescribed by the Executive Director, showing all agents with active appointments as of December 31 of the preceding calendar year. (The insurer is responsible for terminating any appointment prior to December 31 if the insurer does not want to pay the renewal fee for that agent. Further, the insurer must give written notice to any agent who is terminated or not renewed within 30 days of the termination or non-renewal.) The insurer must pay the appointment renewal fee no later than March 31 for each agent on the list from the Department in:

- Odd-numbered years for life and health insurers, including health maintenance organizations, limited health service organizations, fraternal benefit societies, and Subtitle 32 Corporations; and
- Even-numbered years for all other insurers.

AGENT REPRESENTATIVE – A licensed agent who is authorized to sell, solicit, or negotiate insurance by holding at least one active appointment may act as a representative of an insurer without being appointed for 15 days from the date the first insurance policy application is executed. The agent representative must receive acknowledgement of approval of appointment within 15 days from the date the first insurance policy application is executed; otherwise, the agent must discontinue acting as an agent for that insurer until the approval has been received.

LICENSE RENEWAL – Renewal of the license is contingent upon Continuing Education compliance. Agents subject to continuing education must have completed continuing education requirements and filed proof of compliance with the Department of Insurance, in order to be eligible for license renewal. Renewal fees are as follows:

- Agent with one or more active appointments No fee
- Agent with no active appointments \$40

License is renewed online through **eServices**.

- ☐ **Renewal Notification is mailed** to the current address of record filed with the Department at least 75 days before the renewal deadline, and posted to the Web site six months prior to the renewal deadline.
- ☐ **Confirmation** of renewal information is available on our Web site at <http://insurance.ky.gov/kentucky>, at **eServices**.
- ☐ **Renewal Period** is based solely on the licensee's birth date.
- ☐ **Renewal Deadline** is no later than the last day of the birth month in even-numbered years if born in an even year, or odd-numbered years if born in an odd year.

Individual license renewal is solely the responsibility of the licensee. **Each licensee must:**

- **Renew online at** <http://insurance.ky.gov> **at eServices** or www.nipr.com.

The licensee can check the Department's Web site to confirm that the Department has been renewed and check continuing education status.

Failure to Renew License by Deadline – If the Department does not receive the license renewal invoice, continuing education course completion documentation, and any required fees by the deadline, the license will be automatically terminated as of the deadline. The licensee will be prohibited from transacting insurance business until the license is reissued.

However, if the licensee submits the renewal invoice, proof of continuing education compliance, the late renewal penalty payment, and any required renewal fees within 60 days after the deadline, the license may be reissued without the need for a new license application or other documentation. Note that there will be a gap in the license (and any appointments) from the date of the deadline until the date the Department receives the signed renewal invoice, proof of continuing education compliance, penalty fee, and any required renewal fees.

CONTINUING EDUCATION – All individual agents with Kentucky resident licenses or Kentucky home state licenses are subject to continuing education for every line of authority (**EXCEPT** for the limited lines of authority: credit, crop, surety, and travel as identified in KRS 304.9-230).

The continuing education requirement of 24 hours must be met on or before the last day of the birth month for all individual agents, in even-numbered years if born in even year, or odd-numbered years if born in odd year.

Of the 24 hours:

- At least 6 hours must be directly related to at least one of the agent's active lines of authority,
- At least 3 hours must be in ethics

Only courses approved by the Kentucky Department of Insurance will be accepted as approved credit hours. No more than 12 hours of continuing education credit will be carried over to the next biennium. **Failure to meet the continuing education requirements by the last day of the birth month, odd or even year depending on the year of birth, will result in the automatic termination of the license.**

Please refer to the Department's Web site, KRS 304.9-295, and 806 KAR 9:220 or 806 KAR 9:310 for additional details related to continuing education, such as the list of the approved providers, how the credit hours should be filed and applied, forms to file, deadlines, and extensions.

Non-Compliance with Continuing Education Requirements – An agent's lines of authority requiring continuing education will automatically terminate if the agent fails to:

- Meet continuing education requirements by the last day of the birth month, or
- Verify with the Department of Insurance, the completion **and filing** of proof of course completion (courses must have been completed on or before the continuing education compliance date) within 60 days of the last day of the birth month.

If all lines of authority are terminated, the license will automatically terminate; and the agent must immediately return the original license certificate to the Department without demand.

If the agent has one or more remaining lines of authority, the license will not terminate. However, the agent must return the original license certificate to the Department, so that the Department can reprint the license with only the active lines of authority.

REISSUE OF TERMINATED LICENSE – The former licensee will have one year (12 months) from his or her license termination date to re-qualify for the license without completing any required prelicensing training course or passing any required examinations. However, the

former licensee must still submit a newly completed license application with all required attachments and pay the applicable non-refundable fees. Insurers must file a new appointment **Form 8302-AP**, with the applicable fees.

In addition to submitting a license application, additional documentation and applicable licensing fees are required if the license was terminated for:

- **Failure to meet continuing education** requirements. The former licensee must complete the delinquent hours of continuing education and have certificates of completion filed with the Department. Or
- **Failure to maintain financial responsibility.** The former licensee must obtain adequate financial responsibility and have the insurer or financial institution file the appropriate proof with the Department.

Note that there will be a gap in the license (and any appointments) from the date of the license termination until the date the license is reissued. During this gap, the licensee cannot exercise the license.

AGENT LICENSING AND LEGAL DIVISION'S GUIDELINES FOR PROCESSING LICENSING APPLICATIONS WITH NEGATIVE BACKGROUND INFORMATION APPROVAL / DENIAL

Upon receipt of every application, NAIC Producer Database is checked for background infractions in other states as part of the initial processing procedure.

1. Have you ever been convicted of a crime, had a judgment withheld or deferred or are you currently charged with committing a crime?

“Crime” includes a misdemeanor, felony or a military offense. You may exclude misdemeanor traffic citations or convictions involving driving under the influence (DUI) or driving while intoxicated (DWI), driving without a license, reckless driving or driving with a suspended or revoked license and juvenile offenses. “Convicted” includes, but is not limited to, having been found guilty by verdict of a judge or jury, having entered a plea of guilty or nolo contendere or having been given probation, a suspended sentence or a fine.

If you have a felony conviction, have you applied for a wavier as required by 18USC 1033?

N/A _____ Yes _____ No _____

If so, was that wavier granted? (Attach copy of 1033 wavier approved by home state.)

N/A _____ Yes _____ No _____

If you answer yes, you must attach to this application:

- a) a written statement explaining the circumstances of each incident,
- b) a copy of the charging document, and
- c) a copy of the official document which demonstrates the resolution of the charges or any final judgment.

Agent Licensing checks to make sure all three of the above-mentioned requests are attached to the application. When all documentation is complete, the application goes to “review.” Details on what exactly is needed are as follows:

- a written statement explaining the circumstances of each incident (Must be VERY detailed – complete explanation – not just three or four sentences.)
 - a copy of the charging document (police citation, indictment, warrant, or other court document you received when charges were made).
 - a copy of the official document which demonstrates the resolution of the charges or any final judgment (court document showing final judgment of conviction, diversion agreement, or final court order signed by judge).
 - If these documents are no longer available from the court office, then a letter must be submitted from that court office stating they have been destroyed, OR a computer printout from the court office that is “certified” by a court employee may be submitted in lieu of the original documents.
2. Have you or any business in which you are or were an owner, partner, officer, or director or member or manager of limited liability company, ever been involved in an administrative proceeding regarding any professional or occupational license or registration?

“Involved” means having a license censured, suspended, revoked, canceled, terminated; or being assessed a fine, a cease and desist order, a probation order, a compliance order, placed on probation or surrendering a license to resolve an administrative action.

“Involved” also means being named as a party to an administrative or arbitration proceeding which is related to a professional or occupational license. “Involved” also means having a license application denied or the act of withdrawing an application to avoid a denial. You may EXCLUDE terminations due solely to noncompliance with continuing education requirements or failure to pay a renewal fee.

If you answer yes, you must attach to this application:

- a) a written statement identifying the type of license and explaining the circumstances of each incident,
- b) a copy of the Notice of Hearing or other document that states the charges and allegations, and
- c) a copy of the official document which demonstrates the resolution of the charges or any final judgment.

Agent Licensing checks to make sure all three of the above-mentioned requests are attached to the application. If not, Agent Licensing writes back to the applicant to obtain these records. After receiving all attachments, the application goes to “review.”

3. Has any demand been made or judgment rendered against you or any business in which you are or were an owner, partner, officer or director, or member or manager of a limited liability company, for overdue monies by an insurer, insured or producer, or have you ever been subject to a bankruptcy proceeding? Only include bankruptcies that involve funds held on behalf of others.

If you answer yes, submit a statement summarizing the details of the indebtedness and arrangements for repayment, and/or type and location of bankruptcy.

Agent Licensing reviews all documentation on demand, judgment, or bankruptcy. The applicant is contacted if additional documentation is required for determination. If there is a bankruptcy, Agent Licensing requests that the "Discharge of Debtor" is attached to application with a brief explanation of reason for bankruptcy. Also, if the bankruptcy happened within the last two years, a list of creditors must be supplied. Faxed copies are accepted by Agent Licensing.

4. Have you been notified by any jurisdiction to which you are applying of any delinquent tax obligation that is not the subject of a repayment agreement?

If you answer yes, identify the jurisdiction(s):

According to KRS 304.9-440 (1)(o) and other applicable state law, the Department should be denying any applicant who has delinquent tax obligation that is not the subject of a repayment agreement in Kentucky. However, we will keep the application in a pending status for an extended period of time to allow applicant to contact Kentucky Revenue Cabinet and set up a repayment agreement. After receiving documentation that verifies the agreement, the applicant will then enter into an agreed order of probation for the same period of time it takes to repay the obligation to the State. Once the agreed order is signed by the applicant and the Executive Director, the application will be processed.

5. Are you currently a party to, or have you ever been found liable in, any lawsuit or arbitration proceeding involving allegations of fraud, misappropriation or conversion of funds, misrepresentation or breach of fiduciary duty?

If you answer yes, you must attach to this application:

- a written statement summarizing the details of each incident
- a certified copy of the Petition, Complaint or other document that commenced the lawsuit or arbitration, and
- a certified copy of the official document which demonstrates the resolution of the charges or any final judgment.

Agent Licensing checks to make sure all three of the above-mentioned requests are attached to the application. If not, Agent Licensing writes back to the applicant to obtain these records. After all documentation is received, application goes to "review."

6. Have you or any business in which you are or were an owner, partner, officer or director or member or manager of limited liability company, ever had an insurance agency contract or any other business relationship with an insurance company terminated for any alleged misconduct?

If you answer yes, you must attach to this application:

- a) a written statement summarizing the details of each incident and explaining why you feel this incident should not prevent you from receiving an insurance license, and
- b) certified copies of all relevant documents.

Agent Licensing checks to make sure all of the above-mentioned requests are attached to the application. If not, Agent Licensing writes back to the applicant to obtain these records. After all documentation is received, application goes to “review.”

7. Do you have a child support obligation in arrearage?

If you answer yes,

- a) by how many months are you in arrearage? _____ Months
- b) are you currently subject to a repayment agreement? Yes _____ No _____
- c) are you the subject of a child support related subpoena/warrant? Yes _____ No _____

Agent Licensing requires applicant to submit some kind of official documentation showing that child support payments are being made. This may be a computer printout from court-ordered overseer of the account, or a copy of some pay stubs showing automatic withdrawal of child support payments.

Agent Licensing sends all applications with this question marked “yes” to Legal for review. Legal advises Agent Licensing staff of additional items to request, or calls the applicant directly.

NOTES:

- Any time a background infraction is disclosed, the review may require additional days to process. Based on the charges, the application may be pending review for several weeks, even several months. Occasionally, our Department has to make calls or correspond with other attorneys or court offices to obtain all the information we need to make a fair judgment. Keep in mind that if you are viewing the status on our Web site to monitor when the application has completed “Review,” if you see a “denied” status and you know the applicant is working with us to provide information, don’t be alarmed. Our system automatically “denies” a record after so many days. This status can be overridden for applicants in Legal Review. The best advice Agent Licensing can give is for every applicant to take the time and attach ALL requested documents when submitting the application initially. This allows the application to go to “review” as soon as it is entered in our system, without having to write back for additional items.